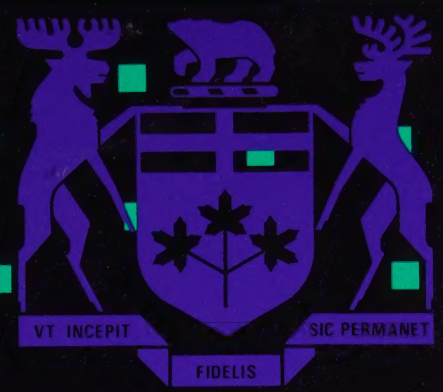


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ONTARIO
SECURITIES
COMMISSION

ANNUAL
REPORT
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*Ce rapport est également disponible en français
This Report is also available in French*

The Honourable Murray Elston
Minister
Ministry of Financial Institutions
9th Floor
555 Yonge Street
Toronto, Ontario
M7A 2H6

Dear Mr. Minister:

I am pleased to submit the Annual Report of the Ontario Securities Commission for the fiscal year ended March 31, 1990. Since my predecessor Stanley Beck submitted the 1989 Annual Report, the OSC has undertaken a number of significant initiatives, many of which are mentioned in the sections which follow. I would like to touch upon a few of the highlights.

We have commenced a thorough review of the system of "universal registration". The universal registration concept was introduced on June 30, 1987 with a view to increased regulation of a range of market participants who were previously exempt from registration. The implementation of universal registration has not been without difficulty for the OSC and its staff. We expect that the review of universal registration and the administrative improvements we are implementing will bring improvements to the universal registration system and will facilitate the achievement of our regulatory goals in this important area.

The International Markets Unit was created in December 1989 with the mandate of developing multi-jurisdictional initiatives which will serve the interests of Ontario in the context of increasingly internationalized capital markets. Under the leadership of Pamela Hughes, the Unit has worked with other provincial securities regulators and the Securities and Exchange Commission of the United States (the "SEC") to develop the proposed Multi-Jurisdictional Disclosure System. We anticipate this system will bring significant benefits to the capital markets in Ontario and to Canadian issuers generally. Negotiations with the SEC are in their final stages and hopefully will be completed early in the Fall.

OSC Policy Statement No. 9.1, respecting "Disclosure, Valuation and Approval for Insider bids, Issuer bids, Going Private Transactions, Significant Asset Transactions and Other Related Party Transactions", was published for comment in the Spring of 1990. This policy reflects OSC concerns regarding the adverse effects on the capital markets of certain unfair or abusive transactions involving an issuer or its security holders and related parties being effected without a fair process, and a demonstration of our determination to carry out our mandate of investor protection.

Earlier this year, the OSC approved a number of changes to the trading rules and practices of the Canadian Over The-Counter Automated Trading System ("COATS"), and commenced discussions with a number of parties regarding the transfer of the operation of COATS from the OSC. It is our view that the OSC, the principal regulator, should not also be responsible for administering COATS. We believe such a transfer will improve the operation of COATS and enhance its reputation. We expect to complete the present discussions this Fall.

The OSC has been engaged in a number of initiatives which are intended to enhance the regulatory infrastructure of the securities industry. In conjunction with the Canadian Securities Administrators (the "CSA"), the OSC is having discussions with the Canadian Investor Protection Fund ("CIPF; formerly the National Contingency Fund") to formalize the relationship between the CSA and the CIPF in a written agreement. The CIPF operates a compensation fund for investors and plays an important role in developing and implementing capital and audit standards which protect investors and provide early warning of problems to regulators. In addition, the OSC and the CSA have developed an Implementation Plan for the recommendations contained in the Regulatory Working Group's Final Report to the CSA dated December 8, 1989 concerning Capital, Financial Reporting and Audit Requirements of investment dealers.

The OSC has also continued to play a leading role in the work of the CSA, which coordinates the development of National Policies, as well as information-sharing and coordination among CSA members in the clearance of national securities issues and in enforcement matters.

The OSC also has been very active internationally. I have personally been involved in the work of the Technical Committee of the International Organization of Securities Commissions ("IOSCO"), and the Office of the Chief Accountant and the International Markets Unit also have taken an active role in IOSCO working groups. Representatives from the OSC attended a number of international meetings of securities regulators, including the Wilton Park Enforcement Group, the Burgenstock Commodities regulation meetings in Switzerland, meetings of the U.S. based North American Securities Admin-

istrators Association ("NASAA") and its committees, and regular contacts with the SEC. This aspect of our work is becoming increasingly important, placing further personnel and financial demands upon OSC resources.

Perhaps the most visible and public element of the OSC's activity has been the administrative proceedings and hearings before the Commission and the quasi-criminal and court proceedings which have taken place during the past year. The Enforcement Branch completed investigations and commenced proceedings in a number of significant cases which are referred to elsewhere in this report. We have achieved several significant settlements of matters. Such settlements exemplify the discharge by the Commission of its responsibilities to protect the public and promote the health of our capital markets.

The OSC has seen extensive personnel changes since the Spring of 1989. My predecessor, Stanley M. Beck, Q.C., retired as Chairman on June 30, 1989 after four years of distinguished leadership. Four Commissioners – Frances Carmichael, Alfred Holland, Timothy Reid and Malcolm Taschereau completed their service during this period, and William Moull, Lea Hansen, Martin Friedland, Jalynn Bennett, David Moore and Dean Kitts were appointed as Commissioners.

On the staff side, Ermanno Pascutto, who served as Director (and Executive Director) of the OSC for almost five years, left to join the Securities and Futures Commission of Hong Kong in a similar capacity; Frank Allen returned to the private sector upon completion of his two year term as General Counsel; Priscilla Healey resigned as Legal Advisor, to accept a position with the Pension Commission of Ontario; Joseph Groia stepped down as Director of Enforcement to return to private practice; Jamie Scarlett completed his term as Director, Capital Markets; Selwyn Kossuth joined the OSC as Executive Director; Justin Connidis joined the OSC as General Counsel; Larry Waite was appointed as Acting Director of the Enforcement Branch; Joan Smart was appointed Director, Capital Markets; and Susan McCallum was appointed Director of the Corporate Finance Branch.

The Commission's increasingly busy hearings schedule has lead to the appointment of Mr. Moull as the OSC's second full-time Vice-Chairman, with special responsibilities for administrative hearings and other related matters.

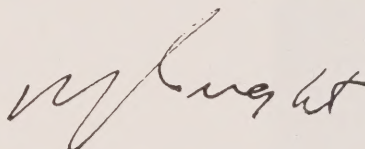
During the past year, the OSC, with the aid of strategic planning consultants, commenced a strategic planning initiative to re-examine the OSC's mandate, objectives and operations. One significant aspect of the process in which I expect extensive Ministry involvement will be a re-evaluation of the OSC's administrative structures and its operating relationships with the Government of Ontario and how these relationships might be altered in order to enhance the OSC's ability to serve the public interest.

OSC staff have been occupied throughout the year with the day-to-day activities entailed in fulfilling the OSC mandate of protecting investors and ensuring the integrity and efficiency of the capital markets in Ontario. These activities include: review of disclosure documents and applications for exemption, review of accounting disclosure, investigation and enforcement, review of takeovers, market surveillance, insider reporting, continuous disclosure, regulation of commodity futures and supervise self-regulatory organizations.

I want to acknowledge the support I have received from the Commission and all of its staff since taking office last September. I am proud of the people who work with me and of their contribution towards fulfilling the important responsibilities belonging to the OSC.

I am also pleased to acknowledge the outstanding support of the Ministry and its Deputy Minister, Robert Simpson, and I look forward to working with you and Mr. Simpson during the coming year.

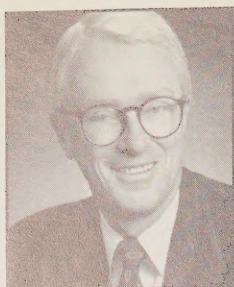
Yours sincerely,



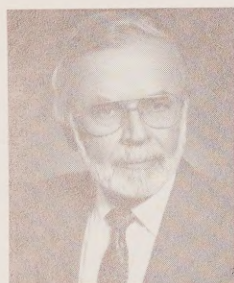
ROBERT J. WRIGHT, Q.C.
Chairman

JULY, 1990

THE COMMISSIONERS



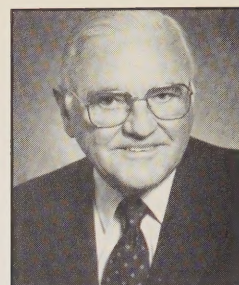
ROBERT WRIGHT, Q.C., a former senior partner with the law firm of Lang Michener Lawrence and Shaw where he practised corporate and securities law and lectured at the Osgoode Hall Law School. He was appointed a Commissioner in June 1989 and was appointed Chairman in September 1989.



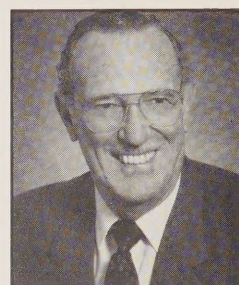
CHARLES SALTER, Q.C. held several senior appointments with the Government of Ontario prior to his appointment as Vice-Chairman in 1984. He served as Director of the Commission from 1975 to 1984, and as Acting Chairman of the Commission from June until September of 1989.



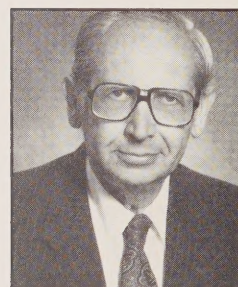
WILLIAM MOULL is a member of the Ontario Bar and was a member of the faculty of Osgoode Hall Law School, York University, Toronto from 1979 to 1987. He has written extensively on commercial and constitutional law matters. He was appointed Vice-Chairman in June, 1990.



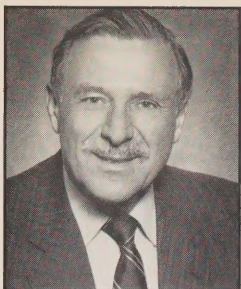
JACK BLAIN, Q.C., a retired partner in the law firm McCarthy & McCarthy, practised corporate and securities law and lectured at the University of Toronto Law School prior to his retirement.



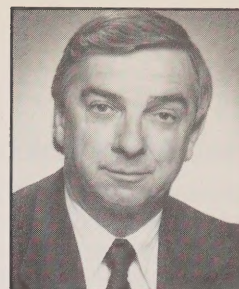
MALCOLM TASCHEREAU has had extensive experience in the natural resource sector. He was a vice-president and president of Dome Mines and is chairman and director of several mining and resource corporations. He served as a Commissioner until June, 1990.



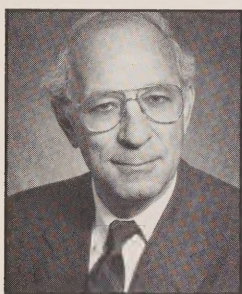
PAUL WAITZER is a former governor of the TSE and a former chairman of the National Contingency Fund. He has also served as president and chief executive officer of a multi-branch investment firm and is president of a private investment and development company.



SEYMOUR WIGLE, F.C.A., a former partner of Price Waterhouse, Chartered Accountants, was Director, Technical Services at the time of his retirement. He is a past president of The Institute of Chartered Accountants of Ontario.



DEAN KITTS is a member of the Ontario Bar and served as a Vice President and General Counsel of Labatts. He was appointed a Commissioner in June, 1990.



MARTIN FRIEDLAND, Q.C. is a Professor of Law at the University of Toronto and was Dean from 1972 to 1979.

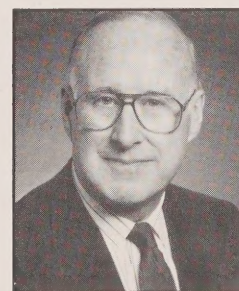
He was a member of the secretariat to the Attorney General's Committee on securities regulation and most recently, Chairman of the Ontario Task Force on Inflation Protection for Employment Pension Plans (1987-88).



LEA HANSEN is a financial analyst and holds a degree in economics from Queen's University. Ms. Hansen worked as a securities analyst specializing in the communications sector, served as a director of the Toronto Society of Financial Analysts from 1981 to 1984, and was President of the Society in 1984. Subsequently, she was elected a Trustee of the Institute of Chartered Financial Analysts and is presently involved at the committee level.



JALYNN BENNETT is president of Jalynn H. Bennett Associates Ltd., a consulting firm specializing in strategic planning and organizational development. Ms. Bennett is a past director of the Toronto Society of Financial Analysts and past chairperson of its Public Affairs Committee. She also serves on the Boards of Trent University, The United Way of Greater Toronto, The Laidlaw Foundation and the Young Naturalists Foundation.



DAVID MOORE recently retired as Executive Vice-President of Scotia McLeod Inc. Mr. Moore was also Governor of the Canadian Securities Institute and the Toronto Stock Exchange, and chaired the Joint Industry Committee on Public Ownership of Canadian Securities Firms. Mr. Moore is currently on the Board of Trent University and is a Trustee Emeritus of Sunnybrook Medical Centre.

THE MANDATE, POWERS AND STRUCTURE OF THE ONTARIO SECURITIES COMMISSION

THE MANDATE OF THE OSC

The OSC has administrative responsibility for the Securities Act, the Commodity Futures Act and Deposit Regulations Act, as well as certain provisions of the Ontario Business Corporations Act, 1982. The bulk of the OSC's day-to-day operations centre around the administration and enforcement of the Securities Act and the Commodity Futures Act.

Securities regulation in Ontario and in most other jurisdictions with developed capital markets involves three principal areas of activity:

1. Licensing and registration of persons trading in securities and commodity futures contracts;

The OSC requires competency and integrity of registrants. In the case of firms, it is concerned with financial stability and adequate supervision of individuals.

2. Reviewing and clearing of prospectuses and other disclosure documents;

As a general rule, no person may sell new securities to the public unless a prospectus, containing full, true and plain disclosure, is filed with the OSC and provided to purchasers.

3. Enforcement of the Securities Act and Commodity Futures Act.

Staff investigate suspected violations of the legislation and in appropriate cases, recommend either administrative proceedings before the Commission or prosecution under both Acts. Staff also supervise the filing of financial statements, insider trading reports and other material.

CHALLENGES FACING THE OSC

The OSC's mandate requires its staff to work with the public, a wide variety of issuers, securities dealers, professional advisers and others, and with many public and private sector organizations at provincial, national and international levels. Effective regulation in a dynamic securities environment, where the pace of change and advancement of technology can be dramatic, requires a high level of skill and professionalism on the part of staff.

Many factors affect the ability of the OSC to fulfil its mandate: the increasing complexity of the capital markets and new financial instruments; the growing volume of filings; the opening of the Ontario market to foreign

securities firms and domestic financial institutions; the internationalization of markets with global trading of securities; and the emergence of financial service conglomerates. There is also increasing public interest in the adequacy of regulation of financial institutions and public companies. Losses to investors occasioned by business reversals, fraud and regulatory failures, in Canada and abroad, have fuelled an increasing demand for greater accountability on the part of market participants and regulators.

THE OSC AND ITS POWERS

The OSC has the power, among other things, to:

- *investigate;*
- *suspend, cancel or impose terms on registration, or reprimand registrants;*
- *grant or deny exemptions from provisions concerning prospectuses, registration, take-over bids or issuer bids;*
- *cease-trade any security;*
- *order funds be frozen or apply to court for the appointment of receivers;*
- *order audits of registrants, reporting issuers, mutual fund custodians and clearing houses of commodity futures exchanges;*
- *grant relief from financial reporting requirements; and*
- *grant relief from proxy solicitation and insider trading requirements,*

The OSC is empowered to grant official recognition to Self-Regulatory Organizations ("SROs"), and has recognized the Toronto Securities Exchange, the Toronto Futures Exchange and the Ontario District Council of the Investment Dealers' Association. SROs, such as the TSE, the TFE and the IDA, impose financial and trading rules on their members which are enforced through independent audit and compliance checks. The OSC reviews those rules and hears appeals from decisions of the SRO's.

THE STRUCTURE OF THE OSC

The OSC currently is a Schedule I regulatory agency of the Ontario government. The Chairman of the Commission reports to the Minister of Financial Institutions who answers for the OSC in the Legislature and presents OSC financial estimates as part of the Ministry's estimates. The OSC and the Government of Ontario are engaged in reviewing the status of the OSC as an agency, with a view to giving the OSC increased administrative flexibility.



THE COMMISSION

The OSC is a two-tiered organization. The first tier is an autonomous statutory tribunal — the Commission — appointed by Order-in-Council and comprised of a full-time Chairman, two full-time Vice-Chairmen and up to eight other Commissioners serving on a part-time basis. Commissioners are drawn from various fields related to the securities and commodity futures industries, including lawyers, accountants, securities analysts, dealers and investors. The Chairman is the OSC's chief executive officer. The Commission formulates policy, sits as an administrative tribunal in hearings, acts as an appeal body from decisions made by the Executive Director and staff, hears appeals from decisions of the Toronto Stock Exchange ("TSE") and the Toronto Futures Exchange ("TFE") and makes recommendations to the government for changes in legislation. Two members constitute a quorum. The Commission holds regular policy meetings, and convenes in panels for administrative hearings.

The Office of the Secretary provides support to the Commission in respect of its meetings and hearings, receives and co-ordinates the processing of all applications to the OSC, publishes the OSC Bulletin, and coordinates meetings of the CSA — an association of securities administrators of each of the provinces in Canada which seeks to achieve uniformity in legislation and policies.

THE STAFF OF THE COMMISSION

The second tier of the OSC is an administrative agency composed of approximately 200 managers, lawyers, accountants, investigators and support staff serving the day-to-day operations of the OSC. The Executive Director is the OSC's chief operating and administrative officer and is responsible for staff and for the activities of the seven operating departments of the OSC — the Corporate Finance, Capital Markets, Enforcement and Administrative and Systems Services Branches, the International Markets Unit, and the Offices of the Chief Accountant and the General Counsel. The Executive Director also participates actively in policy development.

The Chief Accountant is responsible for the formulation of financial reporting policy and the resolution of questions on the interpretation and application of accounting principles and auditing standards. This office monitors the accounting and auditing standards-setting functions of the Canadian Institute of Chartered Accountants ("CICA") and provides input on emerging issues and commentary on proposed standards.

The Office of the General Counsel is responsible for all legal matters at the staff level and provides consultation to staff lawyers in regard to interpretation of the legislation, regulation and policies administered by the Commission. The General Counsel assumes responsibility for applications to the Executive Director for exemptions from the requirements of OSC Policy Statement No. 9.1 and for applications for exemption from take-over bid rules and participates in policy initiatives generated by staff. The Office of the General Counsel is involved in hearings relating to take-over bids and other securities law issues.

The Office of the General Counsel has recently assumed the functions of the former Office of the Legal Advisor, in respect of legal research, policy formulation, drafting of legislation and policies, private sector liaison and special projects.

The Corporate Finance Branch reviews prospectuses and other disclosure documents to ensure that the information disseminated appears complete and that the offering appears to be not contrary to the public interest. The fact that the OSC accepts a prospectus does not mean that the OSC has assessed the merits of the investment, nor does it guarantee the completeness or accuracy of the prospectus. The responsibility for providing full, true and plain disclosure rests with the issuer and underwriter. The Branch also reviews and makes recommendations to the Commission with respect to applications for exemption from certain requirements of the Securities Act, Regulation and policy statements. Policy development remains an important aspect of the work of the Branch. The Continuous Disclosure Section is also part of this Branch.

The Capital Markets Branch is responsible for the regulation of registrants, both corporate and individual, and for identifying and responding to developments in the evolving marketplace. The Branch also supervises the activities of SRO's. The Branch includes a Policy Section and encompasses the Registration Section and the Commodity Futures Section. The Commodity Futures Section of the Capital Markets Branch administers the Commodity Futures Act and Regulations. The Section exercises regulatory oversight of the Toronto Futures Exchange and, in so doing, reviews the by-laws of the TFE. The Section also advises with respect to other derivative instruments including options. All registered futures commission merchants must be members of the TFE and are subject to its by-laws.

Activities of the Enforcement Branch, the largest Branch in the OSC, include surveillance of trading in securities, handling of complaints concerning securities matters and the administration of the Canadian Over-the-Counter Automated Trading System ("COATS"). The Investigation and Enforcement Section carries out investigations into possible violations of statutes administered by the Commission. Violations of securities legislation may result in administrative proceedings before the Commission or quasi-criminal prosecutions pursuant to the Securities Act and Commodity Futures Act before the Courts. The Enforcement Inquiries Unit, which was established in 1988, receives and reviews all complaints and inquiries from the public. The Market Surveillance Section of the Branch is responsible for the administration of COATS and the surveillance of the trading of shares of reporting issuers. COATS is an electronic quotation and trade reporting system developed for companies whose shares are not listed on a Canadian stock exchange.

The International Markets Unit is responsible for policy development in respect of international and interjurisdictional securities matters.

The Administrative and Systems Services Branch provides administrative and systems expertise to support the operations of the OSC.

OFFICE OF THE SECRETARY

The Office of the Secretary provides support to the Commission in respect of regular policy meetings and administrative hearings, receives and coordinates the processing of all applications for orders and rulings and other relief, coordinates the publication of the weekly OSC Bulletin and coordinates meetings of the Canadian Securities Administrators.

The Office of the Secretary received 775 applications during the fiscal year ended March 31, 1990. Applications are reviewed by staff and are submitted to the Commission with a draft order or ruling and a staff recommendation, in accordance with OSC Policy Statement No. 2.1. Where staff recommends denial of an application, in whole or in part, or where the application is contentious or involves a matter of general importance, the matter may be set down for a hearing. In some cases where staff recommend denial of an application, or where staff recommend granting relief on terms which are narrower than requested, applicants will withdraw the application.

Applications for exemptions from prospectus requirements pursuant to subsection 73(1) of the Securities Act and applications for exemption from aspects of the continuous disclosure and financial reporting requirements in Part XVII of the Act, are generally reviewed by the Corporate Finance Branch. Applications respecting registration requirements and applications pursuant to section 208 of the Regulation pursuant to the Securities Act for exemptions from the Conflicts of Interest provisions of Part XII of the Regulation, as well as applications for exemption under the Commodity Futures Act, are reviewed by the Capital Markets Branch. Applications for exemption from the requirements of Part XIX of the Act respecting Take-Over Bids and Issuer Bids are reviewed by the Office of the General Counsel.

The Secretary issued 50 Notices of Hearing during the fiscal year.

ORDERS AND RULINGS ISSUED

Securities Act		
Section:	Fiscal year (April 1, 1989 – March 31, 1990):	
	1989	
11	15	Investigation Orders
14	60	Consent to disclose s.11 information
16	42	Freeze Orders and releases
18	1	Appointment of auditors
22	2	Stock exchanges – review of decisions
25	1	Grant, renewal or reinstatement of registration
26	8	Suspension of registration, etc.
61	45	Extend time for re-filing of prospectus (lapse date)
73	168	Exemption from registration or prospectus requests
79	81	Extend time to file financial statements
82	67	Exempt small reporting issuer
87	10	Proxy solicitation requirements – other jurisdictions
99/100	21	Take-over bid exemptions
109	4	Mutual fund conflict of interest / investment restrictions
113	5	Exemption – management company of mutual fund
117	31	Mutual fund – filing requests – other jurisdictions
123	82	Cease-trade Orders and Temporary Cease-trade Orders
124	12	Removal of Exemptions
140	40	Revocation and variation of decisions
Other	11	
Reg(SA) s.12	1	Finance company financial filing requirements
93	1	Conditions of registration
208	33	Exemptions – Part XII of Reg. "Conflicts of Interest"
OBICA, s.1(6)	7	Order deeming Corporation ceased offering securities
189	4	Exemption – Going private transaction
CFA s.36	1	Acceptance of form of contract
66	1	Revocation and variation of decisions
National Policy 41	4	Shareholder Communication

MESSAGE OF THE EXECUTIVE DIRECTOR

Planning for change has perhaps been the most important activity at the OSC over the past year. During the year the OSC has experienced changes in leadership and new programmes and policy initiatives in most operational areas. Robert Wright succeeded Stan Beck as Chairman in September 1989 and I was appointed Executive Director in November, 1989. In December, Joan Smart was appointed Director of the Capital Markets Branch and Susan McCallum was named the Director of the Corporate Finance Branch. Larry Waite was appointed Acting Director of the Enforcement Branch, replacing Joe Groia who assumed Special Counsel duties within the OSC in February 1990. Justin Connidis succeeded Frank Allen as General Counsel in March 1990. Pam Hughes was appointed Director of the OSC's new International Markets Unit, and Harry Hergash, was appointed Acting Director of the Administrative and Systems Services Branch.

The new management team combines specialized knowledge of the securities industry and regulatory matters with extensive professional experience. As a result of these changes and the continuing contribution of Vice Chairman Charles Salter and Chief Accountant Michael Meagher the OSC has perhaps the strongest senior management team in many years.

Organizational changes implemented during the course of the year included the appointment of William D. Moull as a second Vice-Chairman with special responsibilities to supervise and coordinate the tribunal activities of the Commission. Mr. Moull previously served as Legal Advisor and as Commissioner prior to his appointment as Vice-Chairman in June, 1990. As well, the Office of the Legal Advisor has been merged into the Office of the General Counsel and the Office of the Secretary now reports directly to the Chairman of the Commission. Other changes involved the relocation of the Continuous Disclosure Section to the Corporate Finance Branch and the proposed transfer of the Insider Trading Section to the Enforcement Branch.

A number of managerial developments which have occurred over the past year are expected to enhance the OSC's service capabilities. An internal audit conducted by the Ministry of Financial Institutions and completed in the early summer of 1990, confirmed many strengths of the agency and highlighted operational problems which require attention. One of the first initiatives in this regard was the introduction of a performance appraisal management system and career planning exercise OSC-wide starting in the summer of 1990.

In December 1989 the OSC initiated a review of the universal registration system, and in February 1990, initiated an operational review of the Registration Section to examine the policies, procedures and technology of the Registration Section with a view to improving the OSC's licensing and registration functions. Julia Gresham, the Deputy Director, Registration, joins the Office of the General Counsel as of August 1, 1990 where she will continue to be involved in the review of the universal registration system in conjunction with the Capital Markets Branch. Diana Theman, the Executive Assistant to the Executive Director, will become Acting Deputy Director, Registration and her responsibilities will include expanding the application of computer technology in the Registration Section and implementing other recommendations resulting from an operational review

of the Section. In May to July of 1990, a comprehensive review of the Commission's Information Technology Strategy was conducted by Coopers and Lybrand Limited. As a result of this review, the OSC will request Management Board approval for additional staff and has revised its Information Technology Strategy to focus more intensively on the application of information technology in operational areas which will quickly benefit from computerization, such as Registration and Enforcement Enquiries.

In January, 1990, we commenced a strategic planning process to review the OSC's mandate, operations, organizational structure as well as financial and personnel resources in order to develop a business plan for the coming three to five years. One of the key objectives of this process was to review the OSC's relationship with the Ontario government with a view to enable the OSC to manage its staffing and administrative practices in a more flexible and efficient manner. This strategic plan will provide the overall framework for the managerial developments outlined above.

In conjunction with the strategic planning process, the OSC has also commenced a review of its existing fee schedule.

In order to increase the public's understanding of the OSC's role and services, staff have been involved in presentations and information exchanges with various groups. The OSC was a participant at the Financial Forum Trade Shows in both Ottawa and Toronto. Many OSC staff participated in the "Dialogue with the OSC" Insight seminar on May 23, 1990 which was attended by a number of industry professionals where staff took part in panel discussions and prepared papers on a number of specific subjects. We have received positive comments from the public to the OSC participation at such events. Plans are also underway to increase the OSC's investor education activities, including the updating of existing publications and preparation of new ones, such as consumer information mailing on the subject of investments in penny stocks.

The OSC has also been involved in discussions with the TSE, private organizations, members of the investment community and the public regarding the proposed transfer of the operation of COATS outside the OSC. These discussions are continuing.

A concerted effort was made during the year to expand the OSC's professional secondment programme to include professionals other than lawyers and accountants. At the time of writing, secondees from investment dealers and from accounting firms and from Canadian and U.S. law firms are at the OSC. The recent initiative to recruit professional secondees from the investment industry reflects the OSC's goal of promoting positive working relationships and contacts with the securities industry and is proving to be a successful method of supplementing the OSC's professional complement in a cost-effective manner.

1990/1991 promises to be as challenging for OSC staff as the year which has passed and I wish to express my appreciation to all of our employees, who, in my view, contribute professionally and with great dedication to ensuring the well-being of Ontario's capital markets.

OFFICE OF THE CHIEF ACCOUNTANT

During the year, the Office of the Chief Accountant released its second annual report on its Financial Statement Review Program. Instances of poor quality note disclosure, accounting that ignores economic substance, unusual accounting treatment of normal course transactions and departures from generally accepted accounting principles were found in a number of financial statements which were reviewed. The Canadian Institute of Chartered Accountants ("CICA") have responded to a number of problem areas identified by the Program in the past two years by issuing several new CICA Handbook sections and abstracts from the Emerging Issues Committee.

In November, 1989, the OSC and the Commission des Valeurs Mobilières du Québec ("CVMQ") published a policy respecting Management Discussion and Analysis ("MD&A") which requires public companies to expand their disclosure concerning the nature of their business, and to provide analysis and interpretation of their recent financial statements. The MD&A policy resulted from more than two years of joint effort between the OSC and CVMQ, and is intended to ensure that investors have ready access to sufficient current information and analysis about public companies' operations and prospects for the future. Staff are now reviewing, on a sample basis, the disclosure provided by issuers pursuant to the new policy requirements.

During the year, a number of key policies were also revised by the Office. In June, 1989, a revised policy statement on Future Oriented Financial Information ("FOFI") was published. The FOFI policy limits the periods of time to which such information may relate, and requires an auditor's opinion on the information. A staff survey comparing actual results with forecast results accompanied this policy and it illustrated the significant uncertainty and variability of such information. In response to the CICA's McDonald Commission recommendations, revised OSC Policy Statement No. 31 regarding the reporting of a change of auditor was also published for comment. This revised requirement would increase disclosure by reporting issuers and by their former and successor auditors concerning certain reportable events, disagreements and unresolved issues. A final revised National Policy is expected to be published later in 1990.

Three Staff Accounting Communiqués ("SACs") were published in the past year. These dealt with the purpose of SACs, restrictions on innovative accounting for corporate financing activities and auditors' reporting on comparative financial statements. SACs currently in preparation will deal with the periods to be covered in financial reporting on a continuous disclosure basis, dilution calculations and coverage ratios.

Associate Chief Accountant Brenda Eprile is a member of a Canadian Securities Administrators working group which issued a report on capital, financial reporting and audit requirements in the securities industry in the Fall of 1989. The working group is working with representatives from the industry and self-regulatory organizations, to develop a new approach to the capital requirements of self-regulatory organizations. A number of the recommendations in the final report will be published for public comment. A similar initiative dealing with industry members who are not members of a self-regulatory organization is also underway.

Chief Accountant Michael Meagher chairs a working party of the International Organization of Securities Commissions dealing with accounting and auditing standards. During the past fiscal year, the working party assisted the International Accounting Standards Committee with their review of comments on a proposal which would narrow alternative accounting treatments. The proposal is an attempt to harmonize accounting standards world-wide and work will begin shortly to implement these recommendations. The working party also reviewed international ethics and independence standards with the International Federation of Accountants. In order to undertake these activities, the Office of the Chief Accountant expanded its staff in 1989 and re-established a secondment programme between the Office of the Chief Accountant and accounting firms.

Matters which are to be considered over the next year by the Office of the Chief Accountant include the expansion of the roles and responsibilities of reporting issuer audit committees and a reconsideration of the continuous disclosure regime and interim financial reporting.

OFFICE OF THE GENERAL COUNSEL

The responsibilities of the Office of the General Counsel have expanded significantly since March 31, 1989, to include the following:

- *acting as the senior legal resource within the OSC in areas directly related to the OSC's mandate;*
- *administration of the take-over bid, issuer bid, going private transaction, significant asset transaction and other merger and acquisition provisions of the Securities Act, Business Corporations Act, 1982 and related Regulations and OSC Policy Statements (the "merger and acquisition provisions"); and*
- *participation in the initiation, review and preparation of legislative, regulatory and policy initiatives.*

Following the assumption of many of the functions of the former Office of the Legal Advisor early in 1990, the Office of the General Counsel's staff complement was increased to seven staff lawyers (including the General Counsel and Associate General Counsel), two secondment lawyers, an articling student and four support staff.

As the senior legal resource within the OSC, the Office of the General Counsel provides legal services to the Chairman and Vice Chairmen (in their capacity as members of staff), the Executive Director and staff and co-ordinates professional development training for all legal staff.

In respect of mergers and acquisitions, the Office's responsibilities include reviewing and reporting to the Commission on applications made under s. 100(c) of the Securities Act and s. 189 of the Business Corporations Act, 1982, reviewing and reporting to the Executive Director on applications made to the Director under s. 163 of the Regulation to the Securities Act, OSC Policy Statement No. 9.1 and National Policy No. 38, initiating and conducting investigations and proceedings relating to alleged breaches of the merger and acquisition provisions, and developing and implementing legislative, regulatory and policy initiatives to respond to developments in the merger and acquisition area.

During the fiscal year ended March 31, 1990, the Office of the General Counsel dealt with applications for exemption from, and requests for the OSC to take action pursuant to, the merger and acquisition provisions in respect of over 100 transactions. Many of these reviews resulted in the Commission holding public hearings, including hearings relating to the Steinberg Inc., Great Lakes Group and Core•Mark International Inc. bids. At present, the Office of the General Counsel has more than 40 transactions under active review.

The Office of the General Counsel continues to monitor developments in the creation, activation and use of shareholder rights/poison pill plans. In Ontario, the staff position that majority of the minority shareholder approval is required in connection with the creation of these plans has resulted in many changes to existing and proposed plans. The activation and use of any plan will remain subject to all applicable requirements of the Securities Act, including the merger and acquisition provisions.



A major objective of the Office of the General Counsel in the coming fiscal year is to update OSC Policy Statements relating to mergers and acquisitions to reflect the current practice of the Commission and to address emerging concerns. On May 23, 1990, the OSC issued for comment revised OSC Policy Statement No. 9.1 ("Revised Policy 9.1") relating to disclosure, valuation and approval procedures for insider bids, issuer bids, going private transactions, significant asset transactions and other related party transactions. These revisions to the existing OSC Policy Statement No. 9.1 ("Existing Policy 9.1") reflect:

- *the experience of the Commission with the application of Existing Policy 9.1 to related party transactions currently subject to it;*
- *the experience of the Commission in applying the principles of Existing Policy No. 9.1 to other types of related party transactions not currently subject to it; and*
- *the Commission's concern about the adequacy of compliance with the disclosure and valuation requirements of the merger and acquisition provisions.*

A significant feature of Revised Policy 9.1 is the requirement for valuation and majority of the minority shareholder approval for transactions involving significant asset transactions between parties which are not dealing at arms length. This proposed amendment is intended to address unique concerns which arise in Canada due to the organization of its corporate community. A small number of closely held or controlled companies have an extremely important and pervasive influence on Canadian business life. This, when combined with the relatively small size of the Canadian capital markets, has led to a business structure which features wide spread inter-relationships and broad networks of companies, directors and professional advisers. Given the ownership of Canadian companies, there is a significant number of non-arm's length transactions in Canada, with all the problems that these transactions raise, both in reality and perception.

Prior to the publication of Revised Policy 9.1, the Office of the General Counsel had been addressing non-arm's length transactions on an ad hoc basis. The lack of disclosure in respect of certain of these transactions was perceived to adversely affect the integrity of the capital markets. It is hoped that the disclosure, valuation and approval requirements and the procedural recommendations of Revised Policy 9.1 will assist issuers, their advisers and independent valuers in addressing these difficult situations and responding to them in a manner which maintains and enhances the integrity of the capital markets.

The comment period for the revisions to OSC Policy Statement No. 9.1 ends on August 31, 1990. It is anticipated that the final version of this Policy Statement will be published later this year. In addition, Securities Administrators in several other provinces of Canada have also published Revised Policy 9.1 for comment and efforts will be made to establish a National Policy of the CSA for

related party transactions. Although Revised Policy 9.1 was published for comment, the concerns it identifies are concerns which will continue to be addressed during the comment period on an ad hoc basis. Many issuers, their advisers and independent valuers are making the disclosure and adopting the procedures required or recommended by the revisions to OSC Policy Statement No. 9.1 in respect of related party transactions initiated during the comment period.

The Office of the General Counsel represents the OSC on the take-over bid sub-committee of the CSA. The CSA published for comment on June 8, 1990, proposed changes to provincial securities legislation relating to take-over bids. These proposals address the following issues:

- *the adequacy of the 21 day minimum deposit period for formal take-over bids;*
- *the perceived abuse of the private agreement take-over bid exemption; and*
- *the appropriateness of reducing the take-over bid threshold from 20% to 10% and the early warning disclosure threshold from 10% to 5%.*

The comment period for these proposals ends on August 15, 1990. It is anticipated that final proposals will be published for comment later this year.

The Office of the General Counsel also represents the OSC on the advertising sub-committee of the CSA. In 1989, the CSA published for comment draft National Policy No. 43 relating to the advertisement of securities. This draft National Policy addresses problems which have arisen in connection with the advertisement of securities distributions made pursuant to various exemptions from the prospectus requirement. It is anticipated that a revised draft of National Policy No. 43 will be published for further comment later this year.

The Office of the General Counsel is also working on other legislative and policy initiatives. In the merger and acquisition area, OSC Policy Statement No. 9.2, which is no longer relevant due to the 1987 amendments to the take-over bid provisions of the Securities Act, will be repealed and OSC Policy Statement No. 9.3 will be renumbered and updated to reflect current Commission practice. The Office is also working together with other members and branches of the OSC, including the Chairman, the Office of the Chief Accountant, the International Unit and the Capital Markets Branch, on a wide range of legislative and policy initiatives described elsewhere in this report.

CORPORATE FINANCE



There have been many significant developments in the Corporate Finance Branch since the end of the last fiscal year on March 31, 1989. On May 31, 1989, Robert Steen resigned as Director of the Branch after serving in that position for ten years. Karen Eby served as Acting Director until the appointment of Susan McCallum as Director, on January 15, 1990. During the year, Susan Wolburgh Jenah was appointed Acting Deputy Director, Legal and Ram Ramachandran was appointed Senior Accountant.

The increasing involvement of the Corporate Finance staff in international issues led to the creation in November, 1989 of a separate International Markets Unit headed by Pamela Hughes, the former Deputy Director, Legal of the Branch. The Disclosure Section was transferred from the Administrative and Systems Services Branch to the Corporate Finance Branch in order to lay the groundwork for increased integration of the prospectus process and reporting issuers' continuous disclosure.

Substantial progress was made during the year with policy development. The development of a national policy statement which permits the use of a shelf prospectus under which issuers may qualify securities for distribution during a succeeding two year period resulted from continuing efforts to allow senior issuers speedier access to the capital markets and to ensure that Canadian issuers derive the same benefits from the Multi-jurisdictional Disclosure System as American issuers. Revisions were made to the prompt offering qualification system to take into account the implementation of OSC Policy Statement No. 5.10 which mandates additional annual information form disclosure including management discussion and analysis of results of operations. Substantial work was also completed on a policy statement governing real estate

oriented securities and work continued on numerous initiatives related to mutual funds, including revisions to the simplified prospectus requirements to take into account the requirements of National Policy No. 39, the omnibus policy governing mutual fund operations and rules regarding advertising, funds-on-funds, lending of portfolio securities and investments by mutual funds in derivative products. Staff are also continuing to study mutual fund sales compensation and incentive arrangements offered to persons selling units or shares of a mutual fund.

Branch personnel continued to spearhead the efforts of the Canadian Securities Administrators ("CSA") to achieve uniformity of corporate finance securities legislation and policies across Canada. In November 1989, the CSA created a Corporate Finance Sub-committee chaired by Ontario. Karen Eby served as the Chairman of the Mutual Funds Sub-committee.

Although during most of the 1990 fiscal year the securities markets remained depressed and retail investor involvement was low, particularly following the October 1989 downturn, the level of financing increased significantly by comparison to the 1989 fiscal year. The value of prospectus financings was up 83%. Equity offerings accounted for 64%, and debt offerings comprised 36% of prospectus financings. Short form prospectus offerings accounted for 85% of the value of all prospectus equity offerings and 94% of all prospectus debt offerings. Fiscal 1990 marked the introduction in Canada of prospectus offerings of a number of new derivative products and an increase in the number of synthetic securities offerings.

Prospectus Filings Accepted and Value of Offerings

FISCAL YEAR ENDING MARCH 31	1990		1989		1988	
Type of Prospectus	No.	\$(Mill)	No.	\$(Mill)	No.	\$(Mill)
Banks/Derivative Products	17	2,612	4	675	4	436
Industrials/Films/Finance Companies/Closed-end Funds	125	10,719	87	5,328	173	11,657
Mutual Funds	225	N/A	259	N/A	232	N/A
Natural Resource Issuers:						
Junior Mining	25	50	34	49	80	92
Mining-Other	10	720	18	747	44	1,474
Junior Oil and Gas	2	4	7	24	14	53
Oil and Gas - Other	22	1,056	16	856	30	938
Real Estate Programs	28	521	25	600	13	448
Small Business Development Corporations	2	17	2	19	1	1
Trust Companies	4	429	3	156	4	354
Miscellaneous	9	100	19	402	32	1,844
	469	16,228	474	8,856	627	17,297
% Change	- 1	+ 83	- 24	- 49		

Table does not include exchange offering prospectuses, or prospectus filings which were withdrawn or for which the Director refused to issue a receipt.

Funds raised by way of private placement by Ontario issuers and from Ontario residents by non-Ontario issuers, as disclosed in Form 20s filed with the Branch, increased one-third to approximately \$8.775 billion of equity and \$5.498 billion of debt.

During the year, 352 applications for exemption from the requirements of the Securities Act were reviewed. Most of the applications were for exemptions from the prospectus and registration requirements. A total of 180 applications for transfer within or release from escrow were considered.

In the fiscal year ended March 31, 1990, staff of the Continuous Disclosure Section received 77,662 public disclosure documents.

Type of Document	No.
Financial Statements	11,615
Material Change Reports	1,716
Information Circulars	2,555
Insider Trading Reports	32,418
Miscellaneous Information	29,358

Staff issued 300 certificates of "no default". Based on staff recommendations, 147 cease trade orders were issued for failure to file financial statements. As of March 31, 1990 there were 3,400 reporting issuers.

The Branch has been engaged in a reconsideration of its mandate and the most effective means of carrying it out. Consideration is being given to a system of selective review and a system to reduce the time required to deal with escrow applications, in order to permit the Branch to focus greater resources on policy development, disclosure to the secondary market, mutual funds and derivative products.

CAPITAL MARKETS BRANCH

The Capital Markets Branch is responsible for the regulation of registrants, both corporate and individual, and for identifying and responding to developments in the evolving marketplace. The Branch also supervises the activities of self-regulatory organizations. The Branch consists of three sections: the Capital Markets Section, the Registration Section and the Commodity Futures Section.

CAPITAL MARKETS SECTION

The Capital Markets Section has a number of functions, including:

- *addressing issues arising out of the universal registration system;*
- *supervising the Ontario District of the Investment Dealers' Association of Canada ("IDA") and The Toronto Stock Exchange ("TSE");*
- *regulating the mutual fund industry in Ontario;*
- *reviewing applications for exemptions from registration requirements;*
- *reviewing notices relating to acquisitions of securities dealers and advisers;*
- *reviewing applications relating to conflicts of interest of dealers;*
- *responding to issues raised by dealers and other financial intermediaries with regard to shareholder communications;*
- *reviewing networking proposals; and*
- *reviewing financial industry trends and developments, identifying those requiring a regulatory response and developing related policies.*

In March 1990, staff appeared before the Commission regarding the hearing on the application by Instinet Canada Limited for permission to establish a private terminal trading network for use by institutional investors and members of the TSE. After 10 days of hearings, the Commission determined that the operation of such a private terminal network to trade TSE-listed securities was likely to damage the quality of the TSE's market, and thus, would adversely affect the capital markets of Ontario. The hearing's exploration of structural issues has led the TSE, with the support and encouragement of the Commission, to establish an Investors and Issuers Advisory Committee. This Committee will be representative of retail and institutional investors as well as the public companies listed on the TSE. The Committee will be kept informed of continuing developments in the trading markets and will make recommendations for the enhancement of market structures.

During the 1989 fiscal year, the Capital Markets Section was active in developing a number of policies. The Section published the third set of Principles of Regulation dealing with activities of registrants related to financial institutions, which came into effect July 1, 1990. In November 1989, draft OSC Policy Statement No. 4.8 dealing with issues arising in connection with the registration of international advisers, was published for comment. The Capital Markets Section also commenced a review of the conflicts of interest provisions in Part XII of the Regulation under the Act, and it is anticipated that a draft of the proposed revisions will be published in 1990.

Recognizing the importance of clearing and settlement systems in our market, the Capital Markets Section made progress, along with other provincial securities regulators and the Office of the Superintendent of Financial Institutions, in developing and implementing a more meaningful regulatory system for the Canadian Depository for Securities Limited.

The Capital Markets Section plays a role in the regulation of the cross-border activities of investment dealers. The Section has worked with the International Markets Unit in responding to the Securities and Exchange Commission's Concept Release concerning recognition of the foreign regulation of dealers. The Section also has been working with the IDA, U.S. dealers, the Inter-Dealer Broker Association of Canada and the Federal government to resolve a number of issues arising out of the use by off-shore dealers of computerized bond trading systems to trade Canadian government bonds.

REGISTRATION SECTION

The past year has seen the Registration Section continuing to deal with the workload generated by universal registration. After reaching a peak in the backlog of dockets in process in March 1990, the Section made a number of changes to operations which resulted in a material decrease in the number of outstanding dockets. Realizing that the registration process would be expedited if the quality of applications for registration and amendments to registration were improved, staff undertook a number of initiatives to assist applicants in completing the registration process. Additional Clarification Notes were published and distributed, informational material on initial registration requirements was revised and a guide to completing Form 4 for officers and directors of registrants, which also contains background information for corporate registrations, was prepared. The Registration Section also developed an amendment to the registration form and a checklist to assist in the filing of amendments to registration.



In association with the Law Society of Upper Canada's Continuing Education programme, the Registration Section was a major participant in a one day seminar "A Practical Guide to Registration under the Securities Act", attended by more than 100 industry participants. The materials for the seminar included a detailed discussion of a typical dealer's application for registration and of the Registration Section's interpretation of certain complex concepts such as "acting in furtherance of a trade" and "who is a market intermediary".

Another major initiative for the Section during the past year was a rationalization of the method by which registration fees are collected. A guide to the manner by which these fees are calculated was also published in the OSC Bulletin.

In collaboration with the Capital Markets Section, the Registration Section has undertaken a major review of universal registration. It is expected that during the next year the OSC will publish proposals for amending the current system.

In 1990, the OSC also commissioned an operational review of current administrative procedures of the Registration Section. Recommendations were made in June 1990 regarding how information processing technology could assist in reducing the Registration Section's workload. A major reorganization and reclassification of Section staff was begun during the year and will continue in tandem with the enhanced computer systems.

COMMODITY FUTURES SECTION

The Commodity Futures Section of the Branch administers the Commodity Futures Act and Regulations and the Recognized Options Rationalization Order made pursuant to the Securities Act. The Section develops policy and provides regulatory supervision for trading in commodity futures contracts, commodity futures options, options, precious metal certificates, index and commodity warrants and certain other derivative instruments traded by residents of Ontario.

The Commodity Futures Section assists the Corporate Finance Branch in the administration of O.S.C. Policy Statement No. 11.4, which addresses commodity pool programs. The Section also reviews all new Toronto Futures Exchange ("TFE") by-laws and amendments to existing by-laws which are submitted to the Commission for non-disapproval. Where its expertise is required, the Section also reviews by-law initiatives of the TSE, IDA and Trans Canada Options Inc.

The Commodity Futures Act requires the registration of certain participants in the commodity futures markets. For the period ending March 31, 1990, 23 firms held registration as Futures Commission Merchants and 10 firms held registration as Advisers.

Activities and initiatives for the year included a major review of the Commodity Futures Act and Regulations, with a view to developing amendments to the legislation which will respond to developments in the rapidly changing commodity futures industry. Staff also concluded certain information – sharing arrangements with the U.S. Commodity Futures Trading Commission and worked closely with the TFE in developing circuitbreakers which deal with stock market emergencies in a manner consistent with the TSE and other North American equity markets. In addition, the Commodity Futures Section proposed, for Commission approval, the requirement that TFE dealer members which do not participate in the Canadian Investor Protection Fund must disclose such non-participation to their customers and must segregate customer funds.

In the coming year the Section will finalize its major revisions to the Commodity Futures Act and Regulation and will present a proposal to the Canadian Securities Administrators to permit certain uses of commodity futures contracts and commodity futures options by mutual funds. Staff will continue to work with regulators in other provinces to develop a consistent approach to the regulation of warrants on indexes and commodities and will continue reviewing an application by the Chicago Mercantile Exchange to install terminals for electronic trading in Ontario.

ENFORCEMENT BRANCH

The Enforcement Branch is responsible for a wide range of activities including the conduct of investigations and enforcement proceedings before the Commission, the Provincial Offences Court and Supreme Court of Ontario, market surveillance and supervision, and regulation of the Canadian Over-the-Counter Automated Trading System ("COATS").

The Branch comprises three sections. The Investigation and Enforcement Section, which is the largest, is staffed by investigators, accountants and lawyers. This Section conducts all investigations and all proceedings before the Commission and the Courts. The Enforcement Inquiries Section handles public inquiries relating to enforcement matters. The Market Surveillance Section monitors the trading of securities in Ontario and has primary responsibility for the operation of COATS.

The Executive Director represents the OSC at the Wilton Park meeting of international securities enforcement officials, held annually in Great Britain, and on IOSCO Working Group No.5 on international enforcement cooperation.

INVESTIGATION AND ENFORCEMENT SECTION

During the fiscal year which ended March 31, 1990, staff conducted 106 formal and informal investigations. There has been increasing resort to the courts, by both OSC staff and respondents, and this has contributed to increased costs and to delay in completing proceedings. Some of the more important matters which have been dealt with since April 1, 1989 are mentioned below.

Investigations into the collapse of Osler Inc. led to proceedings against 24 individuals, including 16 officers, directors and employees of Osler. The proceedings against a number of the individuals have been settled, but the Divisional Court has granted an interlocutory order prohibiting publication of the settlement agreements.

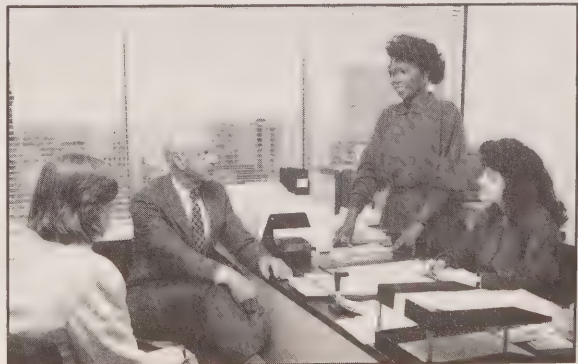
Charges of insider trading laid in Ontario against William and Russell Bennett were withdrawn after their acquittal on similar charges in British Columbia. However, because of alleged insider trading in Doman Industries Ltd. shares, the OSC commenced administrative proceedings against the Bennetts and Herb Doman to remove their trading privileges. As the respondents are British Columbia residents and did not intend to come to Ontario to testify, the Commission sought an order from the Supreme Court of Ontario to authorize the taking of evidence in British Columbia. This application was dismissed and is now under appeal.

The Commission again subpoenaed Michael Biscotti to testify pursuant to an Investigation Order and, again, he refused. The Supreme Court of Ontario ordered him to attend to answer questions. The matter is under appeal.

On appeal before the courts is an order of the Divisional Court that the Commission rehear a matter because of a misunderstanding as to the scope of the hearing. In this matter, trading in the shares of Health and Environment Technologies Inc. was halted and then the shares were cease-traded because of concerns about the adequacy of disclosure of the Company's affairs after its reverse takeover and the rise in the price of the shares on a small public float.

Proceedings against four individuals involved in the Crownbridge Industries Inc. matter have been settled. These individuals admitted they had failed to file press releases and material change reports with the OSC. They consented to orders removing their trading privileges and agreed to make payments totalling \$181,000 to the Treasurer of Ontario. The Commission refused to adjourn the proceedings against the remaining parties pending the outcome of a concurrent prosecution in Provincial Court under the Securities Act. However, the Divisional Court stayed the administrative proceedings before the Commission after Gregory McGroarty agreed, as a condition to the adjournment, to an interim order removing his trading privileges. The Provincial Offences Court trial continues.

An issue with respect to disclosure of investigation files to the defence in a prosecution under the Securities Act arose in the Crownbridge matter. The Court of Appeal ruled that the Commission, by authorizing a prosecution under the Securities Act, implicitly agrees to disclose to the defence all investigation file documents relevant to the charge. However, the Court also ruled that the trial judge must still determine relevancy before ordering disclosure.



Nadir Zulqernain pleaded guilty to 34 charges of trading without registration. He was fined \$68,000 and his registration as a mutual fund salesman was cancelled. He also paid \$50,000 to the Treasurer of Ontario.

In another matter, the Commission issued its reasons for decision, in respect of an order barring the Friesen family, who were the owners of Qualico Securities Limited, from trading in securities. The Commission cited the Friesens' failure to properly supervise Qualico staff, their abuse of the seed capital requirements and government incentive security exemptions. The Friesens' appeal to the Divisional Court was dismissed.

In the past year the OSC obtained its first conviction in Provincial Court for the unlawful sale of securities from a control block. Ronald Gilson was found guilty of selling securities from his control block in Silver Bar Mines Limited without filing a prospectus or complying with the exemptions.

In the Spring of 1990 OSC staff entered into a settlement agreement with the accounting firm Price Waterhouse and Owen F. Smith, in respect of allegations that certain audits of National Business Systems (NBS) had not been conducted in accordance with generally accepted auditing standards. Pursuant to the terms of the Order approving the Settlement, Price Waterhouse was required to undergo an independent review of certain of its internal policies and procedures, and Owen F. Smith was prohibited from acting as the audit engagement partner or second partner in the audit of any reporting issuer for a period of one year. Price Waterhouse also was ordered to pay \$70,000 on account of the costs incurred by the OSC in connection with its investigation of the audit of the consolidated financial statements of NBS.

Proceedings were commenced against Gordon Capital Corporation and David Bond in connection with various breaches of the Securities Act involving trading in the securities of Ventra Group Inc. (formerly ITL Industries Limited). Mr. Bond is a registered trader with Gordon Capital. A hearing in this matter was held in March, 1990.

In arriving at the appropriate sanction to be imposed upon Gordon Capital and Mr. Bond, the Commission took into account the harm to the marketplace resulting from the breaches, Gordon Capital's past regulatory violations and the new compliance procedures and practices that had been adopted by Gordon Capital following the

events that gave rise to the hearing. The Commission imposed a condition upon the registration of Gordon Capital prohibiting it from engaging, directly or indirectly, in principal trading for the ten business days, and also imposed upon Mr. Bond's registration a condition restricting his principal trading activities for the five business days to such trades as are required to discharge his normal market making activities as a registered trader in the stocks which are his responsibility. Gordon Capital has appealed the Commission's order to the Ontario Divisional Court, and on June 4, 1990, the Commission granted Gordon Capital a stay of its order pending the disposition of the appeal.

In the matter of Plastic Engine Technology Corporation ("PETCO"), James Richardson and the Grandsons Energy Corporation ("Grandsons"), the Commission in June 1990 ratified a settlement agreement between staff, Mr. Richardson, and Grandsons, in proceedings in which the Commission has asked to consider removing the respondents' trading privileges for alleged insider trading, tipping and issuance of a misleading press release. Mr. Richardson agreed to the issuance of an Order which provided for the removal of trading exemptions for a period of three years, and also agreed to pay \$300,000 into a compensation fund to compensate investors, \$100,000 to the Treasurer of Ontario and to the Minister of Finance of Manitoba respectively, and up to \$50,000 in respect of the costs of the investigation. This represents the OSC's most successful conclusion of an insider trading investigation to date. Proceedings are pending in Provincial Court against two other persons.

Proposed Amendments

In February 1990, the OSC published for comment certain proposals of the staff to expand the OSC's enforcement powers. The proposed amendments would expand the OSC's audit powers and authorize investigations on behalf of regulators in other jurisdictions, and would give the OSC the power to reprimand market participants and their professional advisers for market misconduct, to prohibit such persons from working for registrants and reporting issuers, to order disgorgement of profits and to order the payment of investigation or proceedings costs. A number of briefs were filed and are currently being considered. It is anticipated that the proposed legislation will be published for comment in the near future and that this will reflect a number of comments received during the comment period.

MARKET SURVEILLANCE SECTION

The following discussion of volumes and values is based on calendar year statistics. COATS began operation in April, 1986. The average daily volume in 1989 was 1,290,809 shares as compared to 1,240,734 shares in 1988. The average daily value declined to \$2,228,837 in 1989, from \$2,605,103 in 1988. There were 40 brokerage firms quoting 422 stocks in COATS in 1989, up from 39 firms quoting 398 stocks in 1988.



During the year ended March 31, 1990 surveillance of the trading of shares of reporting issuers resulted in the detection of 39 instances of unusual trading patterns (1989-47) of which 12 required further investigation (1989-24).

In January 1990, the OSC revised its policy statement with respect to shares

quoted on COATS. One of the key elements of the policy is the power given to the Director of Enforcement to determine which securities may be quoted on COATS, to halt quotations in a COATS security in the public interest and to terminate the COATS quotation of a security when a material change occurs in the affairs of an issuer. The policy also sets out rules requiring fair dealing with customers trading in securities quoted on COATS and prohibiting manipulative and deceptive practices.

ENFORCEMENT INQUIRIES UNIT

The Enforcement Inquiries Unit, which was created in August, 1988, receives and reviews all complaints and inquiries from the public. Joanna Fallone is now the Acting Deputy Director and heads up a team of five full-time staff, including three investigators and one solicitor.

As of March 31, 1990, the Unit was working on 147 inquiries and complaints. During the year, 49 complaints were referred to the Toronto Stock Exchange and 29 complaints were referred to the Investment Dealers Association of Canada. On average, the Unit responded to between 40 and 60 telephone inquiries and complaints on a daily basis.

FISCAL YEAR ENDING MARCH 21	1990	1989
Complaints referred to SROs	78	84
Investigations		
Formal (s. 11)	9	14
Informal	97	95
Hearings (Notices of Hearing issued)		
Director	4	1
Commission	28	15
Enforcement Orders		
Commission	16	18
Prosecutions (Information Sworn)		
Securities/Commodity	15	16
Futures Acts		
Convictions		
(Number of persons successfully prosecuted)	13	9

INTERNATIONAL MARKETS UNIT

The International Markets Unit was created in December 1989, to develop policy regarding international securities matters. Related functions include responding on behalf of Ontario participants to policy initiatives of other jurisdictions and participating in projects of IOSCO and other international organizations. The Unit also participates in the review of prospectuses and applications made on behalf of foreign issuers.

In July 1989, the OSC published a release requesting comment on the proposed Multi-jurisdictional Disclosure System ("MJDS") between the United States and each Canadian province. Under this proposal each jurisdiction would accept the other's disclosure requirements and review procedures. The proposed system would cover public offerings of securities by issuers meeting certain minimum requirements in respect of size and reporting history and also would apply to rights offers, take-over bids and continuous disclosure and proxy filings. The Unit is drafting a National Policy statement for consideration by the Canadian Securities Administrators ("CSA"). The Unit is also continuing to work with the Securities and Exchange Commission of the United States ("SEC"), the CSA and the North American Securities Administrators Association ("NASAA") to refine the MJDS.

The Unit, in conjunction with the Corporate Finance Branch and the CSA, is also developing rules for shelf prospectus offerings and for the pricing of offerings after the prospectus is receipted. In June 1990, the OSC published for comment Draft National Policy Statement No. 44 respecting "Rules for Shelf Prospectus Offerings and for Pricing Offerings' after the Final Prospectus is Receipted". These rules are proposed to be similar to rules which are already in place in the United States and are intended to enable issuers to access the capital markets on a more timely and cost-effective basis.

The Unit's third major policy project is the development of a draft national policy statement to provide relief from certain continuous disclosure obligations to foreign issuers who are subject to different requirements in their home jurisdictions. Together with the Capital Markets Branch, the International Markets Unit has also been developing draft policies with respect to the registration of international advisers.

In conjunction with staff of the Quebec, British Columbia and Alberta Securities Commissions, the Unit responded to the SEC regarding its proposal for the recognition of foreign broker-dealer regulation. If the SEC proposal is implemented, Canadian dealers will be permitted to engage in specified activities in the U.S. market, without being required to satisfy separate U.S. registration requirements. The Canadian regulators have provided the SEC with detailed recommendations concerning the scope, mechanics and implementation of the proposal and have suggested that the Canadian provinces be the pilot jurisdictions.

Pamela Hughes, Director of International Markets, is the Commission's representative on the international disclosure standards working group of IOSCO. Ralph Lindzon, Senior Counsel, International Markets, is a member of the International Corporation Finance Committee of NASAA.

In addition to the policy projects currently in process, the International Markets Unit, in conjunction with the CSA, is planning to develop a draft national policy statement concerning distributions outside the home jurisdiction, and also will be reviewing international market regulation issues in conjunction with the Toronto Stock Exchange, the Montreal Exchange, the CVMQ and the SEC.

ADMINISTRATIVE & SYSTEMS SERVICES

The Administrative and Systems Services Branch is responsible for providing support services to the OSC. Services provided include information technology, human resources, purchasing, office accommodation, finances and mailing.

During the year the Branch completed the installation of an IBM AS400 minicomputer network and the Information Systems Services Group provided training for over 100 users. An additional 100 users will be added to the network in the near future.

The Central File Room was relocated and reduced to half its original space without affecting service levels, despite an increase in the volume of records from 640 cubic feet to 718 cubic feet. File control mechanisms were also improved. To facilitate access to public records, Services Branch purchased two new microfiche readers. Research has also begun to determine if other paper files can be replaced by microfiche.

The Human Resources Section is responsible for OSC staffing, classification, training, staff relations, and human resources planning. The Section helped to

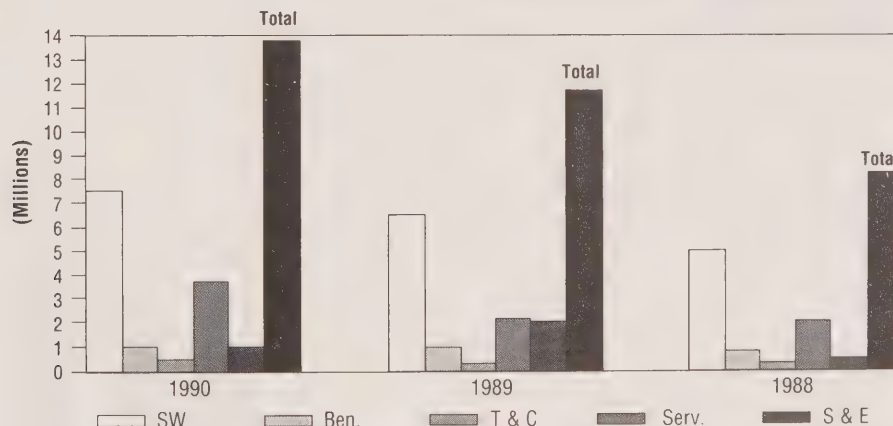
accommodate an 18.5% increase in OSC staff during the year, and also assisted with initiatives respecting Performance Management, Pay Equity, Employment Equity and the Lawyers' Compensation Plan. The Section also helped implement a computerized Human Resources Information System.

The Office Services Section handles about 2,000 items of mail daily and provides a minimum of four deliveries daily throughout the OSC. Over the past year, Office Services also received, logged, issued receipts, balanced and deposited cheques in excess of \$16 million.

The Financial Administration Section processed more than 4,000 invoices, 4,000 payroll cheques, and managed approximately 80 contracts. Total expenditures surpassed \$13 million for the fiscal year. For greater control and access to financial information, the Section implemented a PC computer based system. The Section also helped to decentralize the OSC's budget, requiring program heads to be more involved in developing the annual budget. This process will continue over the coming year.

Expenditures

Fiscal Year Ending March 31	1990	1989	1988
	\$	\$	\$
Salaries & Wages	7,480,500	6,440,672	5,089,056
Employee Benefits	1,034,500	837,068	653,731
Transportation & Communications	471,000	357,264	311,641
Services	3,568,700	2,111,880	1,881,678
Supplies & Equipment	979,500	1,925,048	420,788
TOTAL (note 1)	13,534,200	11,671,932	8,356,894

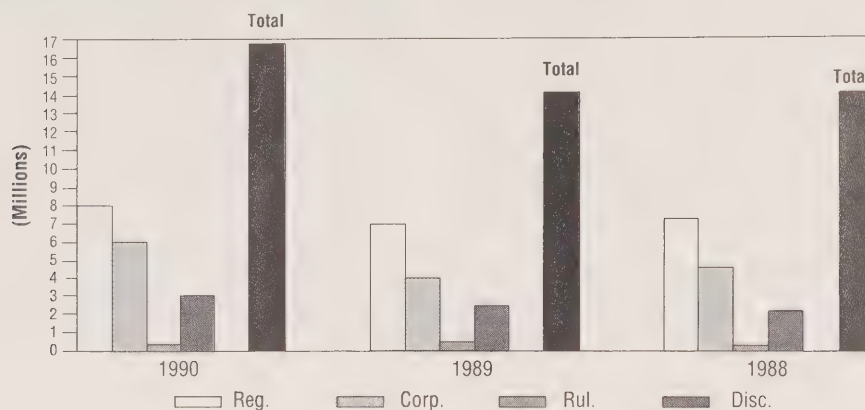


NOTE 1: Expenditure increases primarily resulted from:

- investigations requiring specialized services & resources
- continued implementation of a major technology plan
- major renovation costs related to staff expansion

Revenues to the Province Generated by OSC Services (note 2)

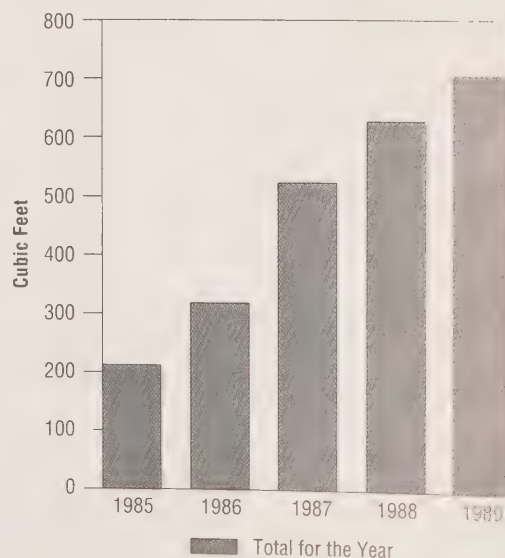
Fiscal Year Ending March 31	1990	1989	1988
	\$	\$	\$
Registration – Brokers & Salesmen	7,973,420	6,906,568	7,292,273
Corporate Finance – Prospectus Filings	5,964,217	3,902,837	4,501,457
Rulings/Settlements	297,624	425,713	236,171
Disclosure – Filings, fees, etc.	2,657,982	2,174,754	2,069,494
Miscellaneous	1,283	5,797	10,621
TOTAL	16,894,526	13,415,669	14,110,016



NOTE 2: All revenues are remitted to the Consolidated Revenue Fund of the Province of Ontario and are not retained by, or credited back to, the OSC.

Ontario Securities Commission Central File Room Volume of Records in Cubic Feet

	1985	1986	1987	1988	1989
Report Issuers	131	220	305	275	320
Salesmen	30	36	152	272	300
Dealers	29	35	37	55	63
Insider Reports	20	25	35	38	35
Total	210	316	529	640	718



**POLICIES PUBLISHED BY THE COMMISSION
(April 1/89 – June 15/90)**

1. **OSC Policy Statement No. 5.8**
Future-Oriented Financial Information
.....(1989), 12 OSCB 2013
2. **National Policy Statement No. 1**
Clearance of National Issues – Amendment to paragraph
1(f)(1989), 12 OSCB 2016
3. **OSC Policy Statement No. 5.8**
Future Oriented Financial Information – Effective Date
.....(1989), 12 OSCB 2109
4. **OSC Policy Statement No. 10.2**
Guidelines for the Establishment of Procedures in Relation
to Confidential Information. . . .(1989), 12 OSCB 2387
5. **OSC Policy Statement No. 5.7**
Amendments – Preliminary Prospectus – Prospectus
Preparation and Filing(1989), 12 OSCB 3119
6. **OSC Policy Statement No. 5.10**
Annual Information Form and Management's Discussion
and Analysis of Financial Condition and Results of
Operations.(1989), 12 OSCB 4275
7. **OSC Policy Statement No. 1.8**
Canadian Over-The-Counter Automated Trading System
(COATS)(1990), 13 OSCB 123
8. **OSC Policy Statement No. 5.8**
Future Oriented Financial Information
.....(1990), 13 OSCB 745
9. **OSC Policy Statement No. 5.6**
Prompt Offering Qualification System
.....(1990), 13 OSCB 927
10. **OSC Policy Statement No. 5.10**
Annual Information Form and Management's Discussion
and Analysis of Financial Condition and Results of
Operations.(1990), 13 OSCB 943
11. **OSC Policy Statement No. 9.1**
Disclosure, Valuation and Approval for Insider Bids, Issuer
Bids, Going Private Transactions, Significant Asset Trans-
actions and Other Related Party Transactions
.....(1990), 13 OSCB 2075

**BLANKET RULINGS PUBLISHED BY THE
COMMISSION**

(April 1/89 – March 31/90)

1. In the matter of the Securities Act, R.S.O. 1980, chapter
466, as amended and in the matter of **Extension of Date
for Registration of Financial Intermediaries Application
of Prospectus Requirements to certain Corporate Spon-
sored Plans and System of Conditional Registration:**
Ruling, ss. 73(1) and Reg. s. 183 dated, June 29, 1989
.....(1989), 12 OSCB 2547
2. In the matter of the Securities Act, R.S.O. 1980, chapter
466, as amended and in the matter of **Certain Amend-
ments to Regulation 910 of Revised Regulations of
Ontario, 1980 made under the Securities Act:**
Ruling, ss. 73(1) and
Reg. s. 183 dated, June 29, 1989
.....(1989), 12 OSCB 2550
3. In the matter of the Securities Act, R.S.O. 1980, chapter
466, as amended and in the matter of **Application of the
Securities Act to certain Residential Real Estate Offer-
ings:**
Order, s. 140 dated, July 7, 1989
.....(1989), 12 OSCB 2735
4. In the matter of the Securities Act, R.S.O. 1980, chapter
466, as amended and in the matter of **Certain Amend-
ments to Regulation 910 of Revised Regulations of
Ontario, 1980 made under the Securities Act:**
Extension of Conditional Registration, etc.
Ruling, ss. 73(1) and Reg. s. 183 dated, June 29, 1989
.....(1989), 12 OSCB 2818
5. In the matter of the Securities Act, R.S.O. 1980, chapter
466, as amended and in the matter of **Certain Amend-
ments to Regulation 910 of Revised Regulations of
Ontario, 1980 made under the Securities Act:**
**Universal Registration – Extension of Date for Registra-
tion of Financial Intermediaries, etc.**
Ruling, ss. 73(1) and Reg s. 183 dated, December 20,
1989(1989), 12 OSCB 4871

**REQUESTS FOR COMMENTS
PUBLISHED BY THE COMMISSION
(April 1/89 – June 15/90)**

1. Advertising of Securities in Ontario
.....(1989), 12 OSCB 1407
CLOSING: June 30, 1989
OSC STAFF: Leslie Milrod
STATUS: Comments Extended to (approx) February 15, 1990.
2. National Policy Statement No. 39 – Proposed Amendment to Section 2.04(11)(1989), 12 OSCB 1613
CLOSING: June 9, 1989
OSC STAFF: Ron Schwass
STATUS: Review by CSA Subcommittee, ongoing.
3. Annual Information Form and Management Discussion and Analysis.....(1989), 12 OSCB 2277
CLOSING: August 15, 1989
OSC STAFF: Michael Meagher
STATUS: Published November 10, 1989, OSCB 4275, O.S.C. Policy 5.10
4. Multijurisdictional Disclosure System
.....(1989), 12 OSCB 2919
CLOSING: October 31, 1989
OSC STAFF: Pamela Hughes
STATUS: Draft National Policy Statement to be published spring 1990
5. Principles of Regulation Re: Activities of Registrants Related to Financial Institutions
.....(1989), 12 OSCB 4163
CLOSING: November 30, 1989
OSC STAFF: Jamie Scarlett/Joan Smart
STATUS: Comments Received – being reviewed by staff (Request for Comments Continued)
6. Draft OSC Policy Statement No. 4.8 – International Advisers.....(1989), 12 OSCB 4301
CLOSING: December 7, 1989
OSC STAFF: Jamie Scarlett
STATUS: Comments Received – being reviewed by staff
7. Draft National Policy No. 43 – Advertisement of Securities.....(1989), 12 OSCB 4463
CLOSING: January 31, 1990
OSC STAFF: Leslie Milrod
STATUS: Awaiting Comments
8. National Policy No. 31 – Change of a Reporting Issuer
.....(1989), 12 OSCB 4759
CLOSING: February 15, 1990
OSC STAFF: Michael Meagher
STATUS: Awaiting Comments
9. OSC Policy Statement No. 6.1, Section II.B – Proposed Revisions to(1990), 13 OSCB 35
CLOSING: March 06, 1990
OSC STAFF: Michael Meagher
STATUS: Awaiting Comments
10. Proposals For Amendments to the Securities Act in the Areas of Investigations, Enforcement and Remedies
.....(1990), 13 OSCB 405
CLOSING: April 15, 1990
OSC STAFF: Joe Groia/Selwyn Kossuth
STATUS: Awaiting Comments
11. Proposals For Amendments to the Securities Act in the Areas of Investigations, Enforcement and Remedies
.....(1990), 13 OSCB 405
CLOSING: April 15, 1990
12. OSC Policy Statement 9.1 – Disclosure, Valuation and Approval for insider bids, etc.
.....(1990), 13 OSCB 2105
CLOSING: August 31, 1990
13. Proposed Changes to Provincial Securities Legislation – Take-Over Bids(1990), 13 OSCB 2295
CLOSING: August 15, 1990
14. Draft Revisions to National Policy No. 33 – Financing of film productions and other artistic endeavours
.....(1990), 13 OSCB 2461
CLOSING: TBA

**REASONS PUBLISHED BY THE COMMISSION
(April 1/89 – March 31/90)**

1. Gregory McGroarty, Gordon Cooper, et al.
s. 124 dated, April 19, 1989
.....(1989), 12 OSCB 1583
s. 124 dated, October 16, 1989
.....(1989), 12 OSCB 3963
2. Friesen, David, Robert Arthur Friessen, et al.
s. 124 dated, April 20, 1989
.....(1989), 12 OSCB 1725
3. Citibank Canada
s. 79 dated, May 15, 1989 ... (1989), 12 OSCB 2097
4. Comaplex Resources International Ltd., et al.
s. 123 dated, June 30, 1989
.....(1989), 12 OSCB 2663
5. Core•Mark International
s. 22(3) and 100c(1) dated, July 31, 1989
.....(1989), 12 OSCB 3185
6. Health and Environment Technologies Inc.
s. 123(3) dated, August 15, 1989
.....(1989), 12 OSCB 3283
7. Core•Mark International Inc., CMI Acquisition Corp.
and 162093 Canada Limited (#2)
ss. 100c(1) and 100c(2) dated, August 31, 1989
.....(1989), 12 OSCB 3797
8. Bennett, Russell James, William Richard Bennett and
Harbanse Singh Doman
s. 124(1) dated, February 2, 1990
.....(1990), OSCB 13 505
9. Health and Environment Technologies Inc.
s. 123 and 140 dated, March 27, 1990
.....(1990), 13 OSCB 1209

**NOTICES OF HEARING ISSUED
BY THE SECRETARY TO THE COMMISSION
(April 1/89 – June 15/90)**

1. Health and Environment Technologies Inc.
s. 123(3) dated, June 5, 1989
.....(1989), 12 OSCB 2261
s. 123 and s. 140 dated, July 13, 1989
.....(1989), 12 OSCB 2903
2. Comaplex Resources International Ltd. and Schaff-
hauser Kantonalbank, Montenero International Com-
pany, Sanlos Trading Inc. and Ulrich Chmiel
s. 123 dated, June 12, 1989
.....(1989), 12 OSCB 2359
3. Bennett, Russell James, Harbanse Singh Doman, William
Richard Bennett, and Bennett Equities Ltd.
s. 124 dated, June 27, 1989
.....(1989), 12 OSCB 2536
4. Instinet Canada Limited
Notice pursuant to s. 22(2) published (1989), 12 OSCB
683(1989), 12 OSCB 2539
5. Core•Mark International Inc., CMI Acquisition Corp.
and 162093 Canada Limited
s. 22(3) and s. 100c dated, July 6, 1989
.....(1989), 12 OSCB 2642
6. Mithras Management Ltd., Skyld Holdings Ltd., Amber
Financial Services Ltd., Blackstone Entertainment Ltd.,
Spectrafilm Inc., International Spectrafilm Distribution
Inc., Grambling, Inc. II, B.W. Young & Co. Ltd., John
Penturn & Son Ltd., Elizabeth Citreon, Barry W. Young,
Norturn Penturn, James Penturn, Mithras C Limited
Partnership To Mithras CVII Limited Partnership Inclu-
sive, Mithras LXXV Limited Partnership and Mithras
LXXVI Limited Partnership
s. 26, 123 and 124 dated, July 20, 1988
.....(1989), 12 OSCB 2897
7. Baron Securities Inc.
s. 8 and ss. 26(2) dated, August 2, 1989
.....(1989), 12 OSCB 2985
8. Pizza on Wheels, Inc., Management Five-O Inc., P.O.W.
Manufacturing & Maintenance, Inc., P.O.W. Commu-
nications & Transportation, Inc., Pizza On Wheels Com-
missary, Inc., E.C.P. Corporation and Anthony Perini
s. 123 dated, August 16, 1989
.....(1989), 12 OSCB 3173

9. Eugene McBurney
s. 124 dated, September 20, 1989
.....(1989), 12 OSCB 3603
10. Tridont Health Care Inc.
Notice of Temporary Order and Hearing, cl. 79(b)(iii) &
ss. 123(1) and (3) dated, August 31, 1989
.....(1989), 12 OSCB 3693
11. Grandview Ridge Estates, Millpark Ventures Inc., Mar-
ket Trend Real Estate Inc., A.K. Harder, and Irma Helen
Harder
s. 123(3) dated, October 2, 1989
.....(1989), 12 OSCB 3773
12. ScotiaMcLeod Inc. and James John Adlington
s. 24 dated, October 27, 1989
.....(1989), 12 OSCB 4133
13. George Albino
s. 124(1) dated, November 15, 1989
.....(1989), 12 OSCB 4364
14. Neptune Resources Corp. and ABM Gold Corp.
s. 123 and 124 dated, November 10, 1989
.....(1989), 12 OSCB 4365
15. Gordon Capital Corporation and David Bond
s. 26 dated, November 10, 1989
.....(1989), 12 OSCB 4366
16. Terence D. Coughlan
s. 124 dated, November 29, 1989
.....(1989), 12 OSCB 4567
17. Computer Based Market Access Systems in Ontario
Notice of Hearing pursuant to Instinet Canada Ltd. Feb
17, 1989.....(1989), 12 OSCB 4741
18. The American Diversified Realty Fund, American Diver-
sified Realty Fund Limited Partnership, American Diver-
sified Realty Inc., Overseas Credit and Guaranty Corpo-
ration, OCGC Financial Holdings Ltd., Overseas Credit
and Guaranty (Alberta) Corporation, and Baron Securi-
ties Inc.
s. 26, 123 & 124 dated, December 12, 1989
.....(1989), 12 OSCB 4738
19. Raymond, E. A. (Clive), David Howe, Paul Trennum,
Richard Hay, Alfred Ruys De Perez and Rudolf Eschen-
brenner (also known as Ralph Brenner)
s. 124 dated, December 14, 1989
.....(1989), 12 OSCB 4835
20. Osler Inc. and Raymond Leonard Anderson
s. 124 dated, December 13, 1989
.....(1989), 12 OSCB 4837
21. Osler Inc. and Wilson Barbour
s. 124 dated, December 13, 1989
.....(1989), 12 OSCB 4838
22. Osler Inc. and Thomas Henry Bourne
s. 26 & 124 dated, December 13, 1989
.....(1989), 12 OSCB 4839
23. Osler Inc. and John Joseph Campbell
s. 26 & 124 dated, December 13, 1989
.....(1989), 12 OSCB 4840
24. Osler Inc. and Hadley Cascadden
s. 124 dated, December 13, 1989
.....(1989), 12 OSCB 4841
25. Osler Inc. and Patrick Anthony Chesnutt
s. 26 & 124 dated, December 13, 1989
.....(1989), 12 OSCB 4842
26. Osler Inc. and Paul Marion Cohen
s. 26 & 124 dated, December 13, 1989
.....(1989), 12 OSCB 4845
27. Osler Inc. and Robert Collins
s. 26 & 124 dated, December 13, 1989
.....(1989), 12 OSCB 4847
28. Osler Inc. and Kevin Robert Cooke
s. 26 & 124 dated, December 13, 1989
.....(1989), 12 OSCB 4848
29. Osler Inc. and Neal Astley Cooper
s. 26 & 124 dated, December 13, 1989
.....(1989), 12 OSCB 4849
30. Osler Inc. and Gerard Morpurgo DeFreitas
s. 124 dated, December 13, 1989
.....(1989), 12 OSCB 4850
31. Osler Inc. and Allan Gaudet
s. 124 dated, December 13, 1989
.....(1989), 12 OSCB 4851
32. Osler Inc. and Venard Joseph Gaudet
s. 26 & 124 dated, December 13, 1989
.....(1989), 12 OSCB 4852
33. Osler Inc. and Maurice N. Jaros
s. 124 dated, December 13, 1989
.....(1989), 12 OSCB 4855
34. Osler Inc. and Graham David Hjalmar Keast
s. 26 & 124 dated, December 13, 1989
.....(1989), 12 OSCB 4856

35. Osler Inc. and Ian McDougall
s. 124 dated, December 13, 1989
.....(1989), 12 OSCB 4857
36. Osler Inc. and John Norman McVicar
s. 124 dated, December 13, 1989
.....(1989), 12 OSCB 4858
37. Osler Inc. and Marsha Mitchell
s. 26 & 124 dated, December 13, 1989
.....(1989), 12 OSCB 4859
38. Osler Inc. and Robert Charles Padden
s. 26 & 124 dated, December 13, 1989
.....(1989), 12 OSCB 4860
39. Osler Inc. and Michael Francis Rossitter
s. 26 & 124 dated, December 13, 1989
.....(1989), 12 OSCB 4862
40. Osler Inc. and Edgar Sirelpuu
s. 124 dated, December 13, 1989
.....(1989), 12 OSCB 4863
41. Osler Inc. and Robert Sullivan
s. 26 & 124 dated, December 13, 1989
.....(1989), 12 OSCB 4864
42. Osler Inc. and Loretta Yvonne Warren
s. 124 dated, December 13, 1989
.....(1989), 12 OSCB 4865
43. Osler Inc. and Stephen Frank Wilkinson
s. 26 & 124 dated, December 13, 1989
.....(1989), 12 OSCB 4866
44. Appleton Manors Inc. and Appleton Manors Co-
Tenancy
s. 123 dated, January 11, 1990
.....(1990), 13 OSCB 205
45. Price Waterhouse and Owen F. Smith
s. 60(2)(i), 60(4) and 122(1) dated, March 1, 1990
.....(1990), 13 OSCB 904
46. Uri Lawrence Skolnik
s. 124 dated, March 2, 1990
.....(1990), 13 OSCB 1030
47. Bruce Orsini, Andrew Tulk, Lorne Banks and Paul
Gordon
s. 26 and 124 dated, March 20, 1990
.....(1990), 13 OSCB 1113
48. George D'Cruze
s. 124(1) dated, March 19, 1990
.....(1990), 13 OSCB 1116
49. AAtra Resources Ltd. and Durham Securities Corpora-
tion Limited
s. 26 and 123 dated, March 26, 1990
.....(1990), 13 OSCB 1193
50. Rosen, Frederick Elliot
s. 26 & s. 124 dated April 10, 1990
.....(1990), 13 OSCB 1391
51. Muscocho Explorations Ltd., McNellen Resources, Inc.,
Flanagan McAdam Resources Inc. and Echo Bay Mines
Ltd.
cl. 100c(2)(c) dated April 11, 1990
.....(1990), 13 OSCB 1469
52. Stonebridge Farms Corporation, Stonebridge Egyptian
Management Corp., Classic Management Inc., Equus
Management Inc., Stallion Management Inc., Legacy
Management Inc., Arabian Horse Management Inc.,
Egyptian Bloodstock Inc., Stonebridge Mare Manage-
ment Inc., Egyptian Bloodstock II Inc., Egyptian Horse
Management Inc., SESLP Inc., Equine V Management
Inc., Equine Investments VI Management Inc., Equine
Investments VIII Management Inc., Equine Investments
IX Management Inc., Equine Investments X Manage-
ment Inc., Equine Investments XI Management Inc.,
Egyptian Livestock Management Inc., Egyptian Live-
stock II Management Inc., Equi-Vest Management Inc.,
Stonebridge Ideal Egyptian Arabian Management Inc.,
Mark Coles and Mary Ellen Coles
ss. 124(1) dated April 27, 1990
.....(1990), 13 OSCB 1566
53. Au and Ag Resources Inc. and Sisto Consultants Inc.
s. 123 dated May 15, 1990... (1990), 13 OSCB 2171
54. Richardson, James, The Grandsons Energy Corporation
s. 124 dated June 6, 1990... (1990), 13 OSCB 2265
55. Gordon Capital Corporation and David Bond
ss. 26(1) & 9(2) dated June 1, 1990
.....(1990), 13 OSCB 2264
56. 2425 – 4526 Quebec Inc., The Canamac Group Inc.,
La Caisse de Depot et Placement du Quebec, Societe
Quebecoise d'Initiatives Petrolieres and Noverco Inc.
cl. 100c(2)(a) and cl. 100c(2)(c) dated June 6, 1990
..... (1990), 13 OSCB 2272
57. Krakowsky, Irwin, Michael Stenyk and Everett Fagg
s. 124 dated June 7, 1990... (1990), 13 OSCB 2364

INQUIRIES BY TOPIC

Capital Markets	SHIRLEY CHEONG	593-8669
Registration	LORRAINE THINEL	593-8346

Chief Accountant	HELENE TROTIER-TATE	593-8218
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Commodity Futures	DAVID WALTERS	593-8279
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Corporate Finance	ATHENA GOURMOUS	593-8234
Preliminary Prospectuses	MERLE SHIWBHAJAN	593-8239
Escrows and Mutual Funds	GINA SUGDEN	593-8238
Continuous Disclosure/ Insider Trading	JOANNE ADAMS	593-8326

International Markets	RALPH LINDZON	593-8165
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Enforcement	GRACE DASILVA	593-8315
COATS	URSEL CALLENDER	593-8343
Complaints	DINA ATTANGAN	593-8301 593-8171
Market Surveillance	TOM PETROFF	593-8340
Timely Disclosure		
General and Confidential	TOM PETROFF or JOANNA FALLONE	593-8340 593-8341
Material Change Report		

Executive Director	DONNA KADIRALLY	593-8209
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Administrative & Systems Services	HARRY HERGASH	593-8280
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General Counsel	MARIE OSWALD	593-8224
Issuer/Take-over Bids		

Secretary's Office	DANIEL P. IGGERS	593-8212
Applications		593-8214
OSC Bulletin	LUISA DEL DUCA	593-8216
OSC Bulletin Subscriptions	MICROMEDIA LIMITED	593-5211

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